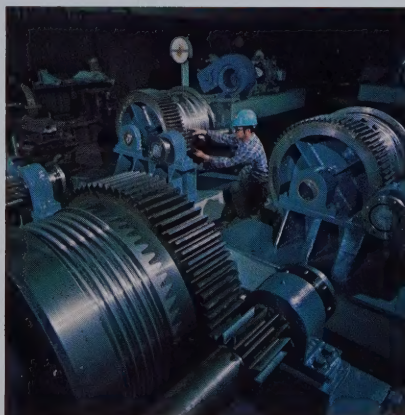


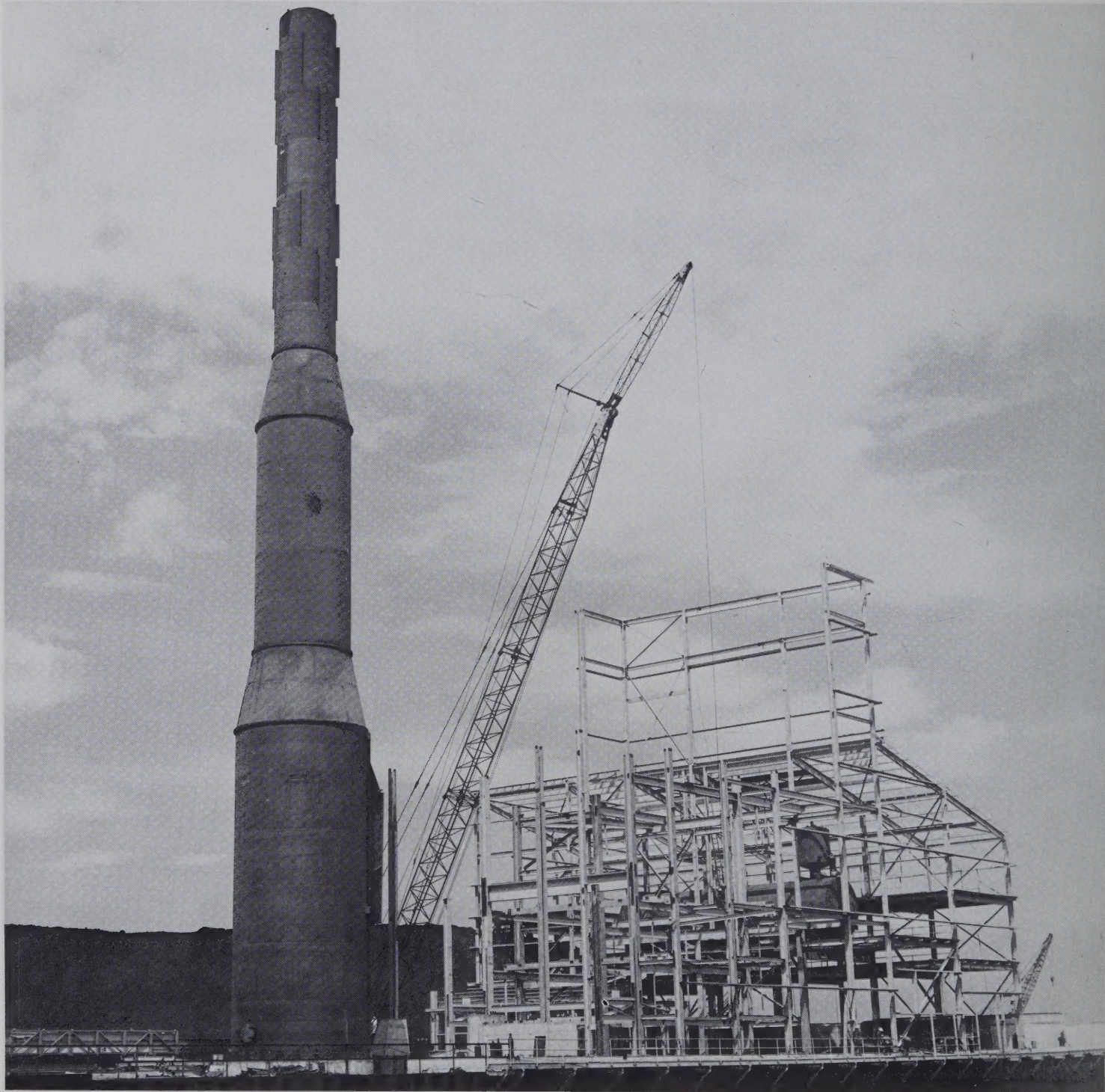
*Low Cost*



BRIDGE & TANK COMPANY OF CANADA LIMITED • ANNUAL REPORT 1973







600 ton stripper crane.

Hoist drums for a 30 ton steel mill crane.

Hoist machinery for the radial gates on Campbellford Dam, Trent Canal.

Diversification of Bridge and Tank facilities, showing the structural steel framework for the building and platework for the stack. The stack is 150 feet high and 20 feet diameter at the base. Total weight of steel, 770 tons.



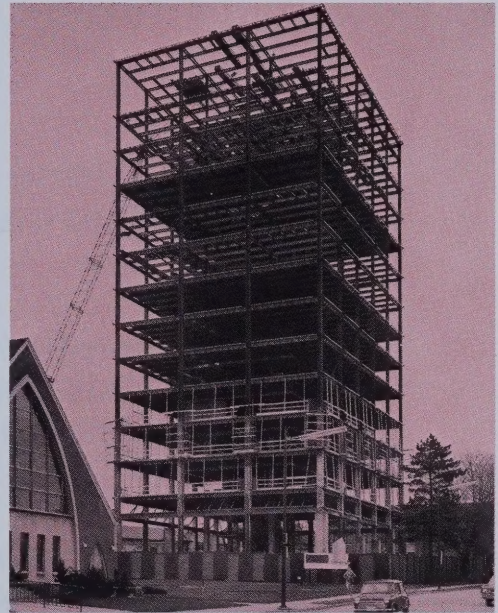


## DIRECTORS

W. A. Andres, *Toronto*  
V. G. Lamont, *Hamilton*  
H. B. Martin, *Toronto*  
H. C. Rynard, *Toronto*  
Harold Tanenbaum, *Toronto*  
Howard Tanenbaum, *Toronto*  
Joseph M. Tanenbaum, *Toronto*  
Max Tanenbaum, *Toronto*

## OFFICERS

Harold Tanenbaum — *Chairman of the Board*  
V. G. Lamont — *President*  
G. H. Tidswell — *Vice-President*  
W. H. Vokey — *Vice-President Manufacturing*  
J. Bracewell — *Secretary and Treasurer*



A modern fourteen storey office building using a complete steel frame. Total weight of steel used is 800 tons.

## OPERATING UNITS

HAMILTON BRIDGE DIVISION  
HAMILTON

BRIDGE & TANK WESTERN LTD.  
WINNIPEG

F. Dring *General Manager*

FORD-SMITH MACHINE COMPANY LIMITED  
HAMILTON

D. Giglia *General Manager*

FORD-SMITH COMPAGNIE LIMITEE  
MONTREAL

D. Giglia *General Manager*  
B. A. Dawson *Branch Manager*

FORAN'S CRANE & EQUIPMENT  
SERVICE LIMITED  
HAMILTON

R. Cordiner *General Manager*

## TRANSFER AGENTS

ROYAL TRUST COMPANY

On behalf of the Directors I submit herewith the audited consolidated financial statements of the company and its subsidiaries for the year ended December 31, 1973.

Consolidated net earnings for the year increased by 18% over the previous year to \$692,359. This represents earnings on common shares of 57¢ per share after preferred share dividends compared to earnings of \$586,916. or 47¢ per share for 1972. Sales of \$20,313,055. were marginally ahead of sales for 1972.

All divisions operated at a profit with the Hamilton Bridge Division recording a significant increase in earnings. The modernization program undertaken at the Hamilton plant in 1972 began to provide cost reductions in 1973, but we expect that the major benefits of this ongoing program will be reflected in future years. The reduction in corporate tax rates on manufacturing and processing income also contributed to the company's earnings in 1973.

Capital expenditures during the year were \$1,221,074. reflecting the continuing program to increase efficiency and reduce costs.

The company is starting the 1974 year with a sales backlog of \$14,600,000. up almost 40% from a year ago. The reduction in corporate tax rates on manufacturing and processing income and the faster write-off for the capital cost of new manufacturing equipment were passed into law in 1973. As a result of this and other factors, the demand for the company's products, particularly heavy mechanical products and mill cranes, has strengthened and continues to be strong. The addition





to our heavy fabricating bay, completed in 1973, and the modernization of our other facilities increased substantially our plants' capacities and we anticipate an increase in volume in 1974.

The contract with the United Steel Workers of America covering the plant personnel for the Hamilton Bridge and Western divisions comes up for renewal in May 1974. We are hopeful that with a concentrated effort on both sides a suitable contract can be negotiated.

During the year the corporate structure of Bridge & Tank Western Ltd. was reorganized whereby this subsidiary was made an operating division of Bridge & Tank Company of Canada Limited.

I wish to thank the Board of Directors for their sincere efforts on behalf of the company and to thank the management and employees for their efforts during the past year.

Submitted by

H. Tanenbaum,  
Chairman of the Board

March 27, 1974



## BRIDGE & TANK COMPANY OF CANADA LIMITED AND SUBSIDIARY COMPANIES

### ASSETS

|   | 1973                | 1972                |
|---|---------------------|---------------------|
| <b>CURRENT ASSETS:</b>  |                     |                     |
| Cash .....  | \$ 24,760           | \$ 31,452           |
| Guaranteed investment certificate (note 4) .....  | 190,000             | —                   |
| Accounts and notes receivable .....   | 3,837,606           | 3,901,776           |
| Due from parent company .....   | —                   | 68,960              |
| Inventories, valued at the lower of cost or net realizable value:   |                     |                     |
| Contracts and other work in process .....   | 3,505,990           | 3,614,589           |
| Raw materials and stores .....  | 1,923,391           | 1,726,197           |
|   | <u>5,429,381</u>    | <u>5,340,786</u>    |
| Marketable securities at cost (1973 market value \$349,370):  |                     |                     |
| Available for contract and other deposits .....   | 99,578              | 186,464             |
| Contract and other deposits .....   | 324,115             | 237,229             |
|   | <u>423,693</u>      | <u>423,693</u>      |
| Prepaid expenses .....  | 21,984              | 21,700              |
| <b>TOTAL CURRENT ASSETS .....</b>   | <b>9,927,424</b>    | <b>9,788,367</b>    |
| Mortgage receivable .....   | 38,513              | 45,227              |
| Funds provided for the purchase of preference shares (note 5) .....   | 100,000             | 100,000             |
| Property, plant and equipment, less depreciation (note 2):  |                     |                     |
| Buildings, machinery and equipment .....  | 11,959,567          | 11,098,892          |
| Less accumulated depreciation .....   | 6,990,740           | 6,734,678           |
|   | <u>4,968,827</u>    | <u>4,364,214</u>    |
| Land .....  | 241,011             | 251,196             |
|   | <u>5,209,838</u>    | <u>4,615,410</u>    |
| Excess of cost of investment in a wholly-owned subsidiary over underlying net book value at date of acquisition ..... | 216,845             | 216,845             |
| Financing and organization expenses, less amounts written off .....   | 3,080               | 12,623              |
|   | <u>\$15,495,700</u> | <u>\$14,778,472</u> |

*See accompanying notes to consolidated financial statements.*

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Bridge & Tank Company of Canada Limited and subsidiary companies as of December 31, 1973 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination of the financial statements of Bridge & Tank Company of Canada Limited and those subsidiaries of which we are the auditors included a general



# CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1973 WITH COMPARATIVE FIGURES FOR 1972 (NOTE 1)

## LIABILITIES AND SHAREHOLDERS' EQUITY

|   | 1973             | 1972             |
|---|------------------|------------------|
| <b>CURRENT LIABILITIES:</b>   |                  |                  |
| Bank indebtedness, secured (note 3) . . . . .                                       | \$ 3,473,498     | \$ 2,213,992     |
| Accounts payable and accrued charges . . . . .                                      | 2,101,402        | 2,270,686        |
| Due to parent company . . . . .   | 287,389          | —                |
| Advance billings on uncompleted contracts . . . . .                                 | 1,076,508        | 2,164,983        |
| Income taxes payable . . . . .  | 71,723           | 292,578          |
| Other taxes payable . . . . .   | 237,537          | 334,700          |
| Dividends payable . . . . .   | —                | 23,212           |
| Long term debt due within one year . . . . .  | 213,576          | 188,748          |
| <b>TOTAL CURRENT LIABILITIES . . . . .</b>  | <b>7,461,633</b> | <b>7,488,899</b> |
| Deferred income taxes . . . . .   | 388,681          | 48,927           |
| Long term debt (note 4) . . . . .   | —                | 217,982          |
| <b>Shareholders' equity:</b>  |                  |                  |
| Capital stock (note 5):   |                  |                  |
| \$2.90 Sinking Fund Preference shares . . . . .                                     | 1,600,850        | 1,600,850        |
| Common shares . . . . .   | 1,815,166        | 1,815,166        |
|   | 3,416,016        | 3,416,016        |
| Amount arising from appraisals of fixed assets, unchanged during the year . . . . . | 746,669          | 746,669          |
| Retained earnings (note 6) . . . . .  | 3,482,701        | 2,859,979        |
|   | 7,645,386        | 7,022,664        |

Commitments (note 7)

On behalf of the Board:

Harold Tanenbaum *Director*  
V. G. Lamont *Director*

|              |              |
|--------------|--------------|
| \$15,495,700 | \$14,778,472 |
|--------------|--------------|

review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of the auditors who have examined the financial statements of the other subsidiary.

In our opinion, these consolidated financial statements present fairly the financial position of the company and subsidiary

companies as of December 31, 1973 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.  
Chartered Accountants

Hamilton, Ontario February 12, 1974

**CONSOLIDATED STATEMENT OF EARNINGS**  
**YEAR ENDED DECEMBER 31, 1973 WITH COMPARATIVE FIGURES FOR 1972**

|   | 1973              | 1972              |
|---|-------------------|-------------------|
| Sales .....   | \$20,313,095      | \$19,793,203      |
| Costs, including selling and administrative expenses .....                              | 18,188,911        | 17,910,841        |
| Depreciation .....  | 551,025           | 457,404           |
| Direct remuneration of directors and senior officers .....                              | 213,977           | 149,592           |
|   | <u>18,953,913</u> | <u>18,517,837</u> |
| Operating profit .....  | 1,359,182         | 1,275,366         |
| Other income:   |                   |                   |
| Income from sundry investments .....  | 23,952            | 23,070            |
| Profit (loss) on disposal of property, plant equipment .....                            | 43,409            | (22,406)          |
|   | <u>67,361</u>     | <u>664</u>        |
|   | 1,426,543         | 1,276,030         |
| Other expenses:   |                   |                   |
| Interest on long term debt and financing expenses .....                                 | 16,892            | 25,083            |
| Other interest .....  | 201,016           | 160,011           |
|   | <u>217,908</u>    | <u>185,094</u>    |
| Earnings before income taxes .....  | 1,208,635         | 1,090,936         |
| Income taxes .....  | 516,276           | 504,020           |
| Net earnings for the year .....   | <u>\$ 692,359</u> | <u>\$ 586,916</u> |
| Earnings per common share (after deducting preference share dividend requirement) ..... | <u>.57</u>        | <u>.47</u>        |

*See accompanying notes to consolidated financial statements.*

**CONSOLIDATED STATEMENT OF RETAINED EARNINGS**  
**YEAR ENDED DECEMBER 31, 1973 WITH COMPARATIVE FIGURES FOR 1972**

|  | 1973                | 1972                |
|--|---------------------|---------------------|
| Retained earnings at beginning of year:                              |                     |                     |
| As previously reported .....   | \$ 2,859,979        | \$ 2,296,424        |
| Adjustment of prior year's income taxes and extraordinary item ..... | —                   | 92,700              |
| As restated .....  | 2,859,979           | 2,389,124           |
| Net earnings for the year .....                                      | <u>692,359</u>      | <u>586,916</u>      |
|  | 3,552,338           | 2,976,040           |
| Dividends on preference shares (note 6) .....                        | 69,637              | 116,061             |
| Retained earnings at end of year .....                               | <u>\$ 3,482,701</u> | <u>\$ 2,859,979</u> |

*See accompanying notes to consolidated financial statements.*



**CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
YEAR ENDED DECEMBER 31, 1973 WITH COMPARATIVE FIGURES FOR 1972**

|  | <u>1973</u>       | <u>1972</u>         |
|--|-------------------|---------------------|
| Source of funds:   |                   |                     |
| From operations:   |                   |                     |
| Net earnings for the year . . . . .                              | \$ 692,359        | \$ 586,916          |
| Add (deduct) non-cash items:                                     |                   |                     |
| Depreciation . . . . .   | 551,025           | 457,494             |
| Deferred income taxes . . . . .                                  | 339,754           | 190,117             |
| (Profit) loss on sale of property, plant and equipment . . . . . | (43,409)          | 22,406              |
| Other . . . . .  | 9,543             | 5,448               |
|  | <u>1,549,272</u>  | <u>1,262,381</u>    |
| Funds provided from operations . . . . .                         | 1,549,272         | 1,262,381           |
| Proceeds from sale of property, plant and equipment . . . . .    | 119,030           | 25,898              |
| Reduction in mortgage receivable . . . . .                       | 6,714             | 5,844               |
|  | <u>1,675,016</u>  | <u>1,294,123</u>    |
| Application of funds:  |                   |                     |
| Purchase of property, plant and equipment . . . . .              | 1,221,074         | 1,120,281           |
| Reduction of long term debt . . . . .                            | 217,982           | 213,806             |
| Dividends on preference shares . . . . .                         | 69,637            | 116,061             |
|  | <u>1,508,693</u>  | <u>1,450,148</u>    |
| Increase (decrease) in working capital . . . . .                 | <u>\$ 166,323</u> | <u>\$ (156,025)</u> |

*See accompanying notes to consolidated financial statements.*



**BRIDGE & TANK COMPANY OF CANADA LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 1973**

- (1) A subsidiary company ceased operations on December 28, 1973, and then distributed its net assets to the parent company. The parent company is continuing to carry on the business of the former subsidiary.

The consolidated financial statements at December 31, 1973 include the accounts of all subsidiary companies, as well as the operating results of the former subsidiary referred to above.

- (2) Property, plant and equipment are stated as follows:  
Buildings, machinery and equipment:

|  |                    |
|--|--------------------|
| On the basis of an appraisal report by Stone & Webster Engineering Corporation, dated January 29, 1954, with subsequent additions at cost, less accumulated depreciation \$3,712,846 ..... | \$3,854,746        |
| At cost, less amount written off (note 7(c)) and accumulated depreciation \$3,183,443 .....  | 1,086,655          |
| At values determined by the Board of Directors of a subsidiary company, as of August 31, 1955, with subsequent additions at cost, less accumulated depreciation \$94,451 .....             | 27,426             |
|  | <u>\$4,968,827</u> |

Land:

|   |                   |
|---|-------------------|
| On the basis of an appraisal report by Lounsbury & Lounsbury Ltd., dated January 18, 1954 ..... | \$ 117,600        |
| At cost .....   | 123,411           |
|   | <u>\$ 241,011</u> |

- (3) The bank indebtedness is secured by a general assignment of book debts, inventories under Section 88 of the Bank Act, marketable securities, and a floating charge on other assets.

- (4) The long term debt due within one year is made up as follows:

|   |                   |
|---|-------------------|
| Bridge & Tank Company of Canada Limited:  |                   |
| 5½% First Mortgage Sinking Fund Bonds   |                   |
| Series A due March 1, 1974 .....  | \$2,500,000       |
| Less redeemed and cancelled .....   | 2,310,500         |
|   | 189,500           |
| 9% Chattel mortgage, payable at the rate of \$2,506, including interest, per month and finally maturing on November 1, 1974 ..... | \$ 79,000         |
| Principal repaid to December 31, 1973 .....   | 54,924            |
|   | 24,076            |
| Principal due within one year ..  | <u>\$ 213,576</u> |

The trust deed securing the bonds requires a final payment in cash or in Sinking Fund Bonds to the Trustee of \$189,500 by March 1, 1974. This requirement has been met by depositing a Guaranteed Investment Certificate in the amount of \$190,000 with the Trustee.

- (5) Capital stock:

| (a)  | Shares           | Amount             |
|--|------------------|--------------------|
| Authorized:                                  |                  |                    |
| Preference shares, par value \$50 each ..... | 192,467          | \$9,623,350        |
| Less redeemed to date ..                     | 450              | 22,500             |
| Authorized for issuance                      | <u>192,017</u>   | <u>\$9,600,850</u> |
| Common shares of no par value .....          | 3,000,000        | \$ —               |
| Issued:                                      |                  |                    |
| \$2.90 Sinking Fund Preference shares .....  | 32,467           | \$1,623,350        |
| Less redeemed to date ..                     | 450              | 22,500             |
| Issued and outstanding ..                    | <u>32,017</u>    | <u>\$1,600,850</u> |
| Common shares issued and outstanding .....   | <u>1,043,694</u> | <u>\$1,815,166</u> |

- (b) The issued preference shares are non-participating and carry a fixed cumulative dividend of \$2.90 per share per annum. The shares are redeemable at \$51 per share.

- (c) Under the terms of the sinking fund provisions in respect of the issued preference shares, the company has set aside \$100,000 in cash to be used for the purchase of preference shares for cancellation.

- (6) Dividend arrears on the \$2.90 Sinking Fund Preference shares are \$8.70 per share or \$278,548. The regular quarterly dividend for the three months ending on March 1, 1973 was declared on December 5, 1972 and accordingly, while only three quarterly dividends were declared during 1973, the dividend arrears at December 31, 1972 are unchanged at December 31, 1973.

In addition, under the provisions of the Deed of Trust and Mortgage securing the First Mortgage Bonds which mature on March 1, 1974, restrictions are also placed on the payment of dividends on common shares unless certain conditions are met. Because of these restrictions, \$249,050 of retained earnings at December 31, 1973 is not available for payment of dividends on common shares.

- (7) Commitments:

- (a) Capital commitments at December 31, 1973 amount to approximately \$378,000.

- (b) The liability for past service costs under the companies' pension plans remaining to be accrued is approximately \$936,900 at December 31, 1973 (1972, \$1,052,700) based on actuarial studies made as at December 31, 1971. The amount of \$936,900 is being amortized at the rate of \$102,900, including interest, annually to December 31, 1976 and thereafter at the rate of \$88,700, including interest, to December 31, 1989.

- (c) Pursuant to an agreement, dated February 1, 1974, the parent company is committed to sell certain property, plant and equipment for a cash consideration of \$170,000. The property was written down as of December 31, 1973 by \$67,000 to its realized value.





#### **HAMILTON BRIDGE DIVISION**

##### **OFFICES AND PLANT:**

390 Gage Avenue North,  
Hamilton, Ontario.

##### **PARTIAL LIST OF PRODUCTS:**

Bridges, Tank and Plate Work, Structural Steel,  
Long Span Joists, Bins, Storage Tanks, Alliance Cranes,  
Custom Machine Shop Services.

##### **WAREHOUSE STEEL DIVISION:**

Beams, Channels, Angles, Plates, Floor Plates,  
Round and Flat Bars.

#### **BRECO AERIAL TRAMWAY DIVISION**

Aerial Tramways, Chair Lifts, Aerial Cableways.

#### **BRIDGE & TANK WESTERN DIVISION**

50 Vulcan Avenue,  
Winnipeg, Manitoba.

##### **PARTIAL LIST OF PRODUCTS:**

Structural Steel and Bridge Fabrication, General Plate  
Fabrication, Conveying and Material Handling Equipment,  
Miscellaneous Iron, and Custom Machine Work.

#### **FORD-SMITH MACHINE COMPANY LIMITED**

##### **OFFICE AND PLANT:**

390 Gage Avenue North, Hamilton, Ontario.

##### **PARTIAL LIST OF PRODUCTS:**

Grinding and Polishing Machines, "Universal" Automotive  
and Industrial Lifting Equipment, Fontaine Fifth Wheels,  
Dump Truck Vibrators.

#### **FORD-SMITH COMPAGNIE LIMITEE**

5643 Ferrier St. Unit C,  
Town of Mount Royal, Montreal 307, P.Q.

#### **FORAN'S CRANE & EQUIPMENT SERVICE LIMITED**

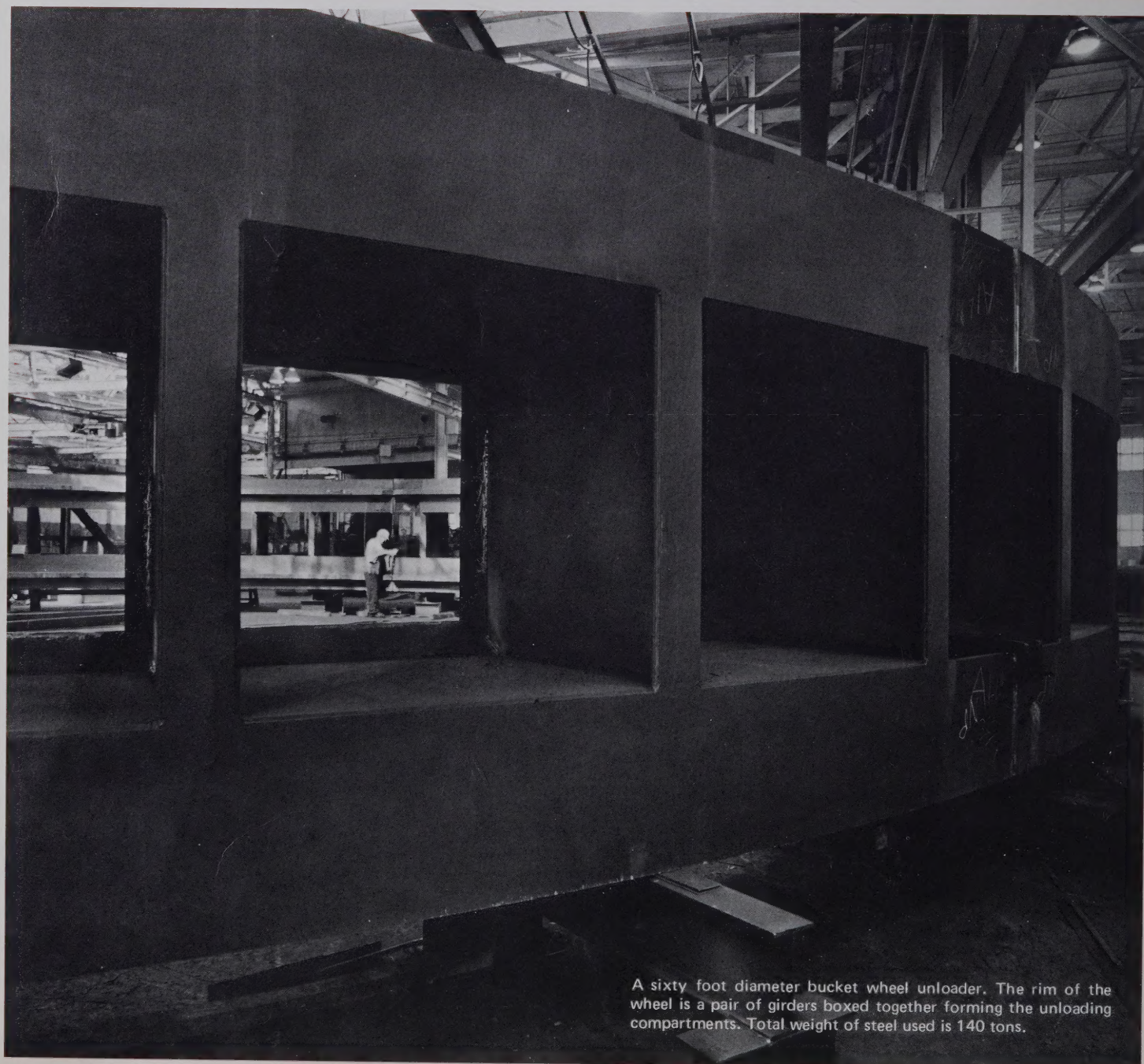
449 Woodward Ave., Hamilton, Ontario.

Provides a complete crane rental service.

Equipment ranges from 5 ton to 140 ton capacity,  
on wheeled and crawler machines.

Services include steel and cement hoisting,  
machinery moving.





A sixty foot diameter bucket wheel unloader. The rim of the wheel is a pair of girders boxed together forming the unloading compartments. Total weight of steel used is 140 tons.